In the

United States Court of Appeals

For the Ninth Circuit

No. 12,628

SUNBEAM FURNITURE CORP., a corporation, **ARTHUR M. LUSTER, MELVIN R. LUSTER**, and **FRIEDA LUSTER**, individuals doing business as **SUNBEAM FURNITURE SALES CO.**, *Appellants*, *vs.* **SUNBEAM CORPORATION**, a corporation, *Appellee.*	Appeal from the United States District Court, Southern District of California, Central Division. Honorable **Leon R. Yankwich**, Judge Presiding.

REPLY TO PETITION OF SUNBEAM FURNITURE CORP., ET AL., FOR REHEARING.

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Appellants secured a stay of the mandate in this action without serving or notifying appellee or any of its counsel in any way. This is reminiscent of their neglecting to make any service of copies of Appellants' Designation of Contents of Record on Appeal or their Statement of Points on Appeal, as required by Rule 19(6) of this court. Since it was presumed to be an oversight, no formal objection was made to this omission (the particulars of which appear at page 440, Vol. 2 of the record) at the time, although it did necessitate printing the record in two volumes and jumbling the sequence of testimony. Their persistent failure to keep their opposition advised and to follow orderly and cus-

tomary practice now seems to deserve the attention of the court.

Appellants' arguments may be summarized as follows:

1. That Expert Lamps, Inc. has not had its day in court.
2. That this court has misconstrued its own decision in *Sunbeam Lighting Company* v. *Sunbeam Corporation,* 183 F. (2d) 969.
3. That the decision herein is inconsistent with prior decisions of this and other courts in that Sunbeam Corporation was granted any relief whatsoever.

1.

Appellants are in the anomalous position of having moved to quash service on and to dismiss Expert Lamps, Inc. as a party defendant (Rec. 12, 20), while now complaining that Expert Lamps "has not had its day in court". They argue that Expert Lamps has allegedly used SUNBEAM as a trade-mark for lamps contemporaneously with Sunbeam Corporation's use sufficient to support a defense of laches or equitable estoppel. Laches or equitable estoppel are, of course, affirmative defenses and must be pleaded as such. There are no such pleadings before the court. In fact, to entitle appellants to raise any defenses which Expert Lamps, Inc. might have, they must have been specifically pleaded. Appellants' answer is merely a general denial (Rec. 38-41). It does not even attack the validity of appellee's registered trade-mark.

Appellants state at page 3:

> "At the trial of this case in the lower court, evidence offered by appellants in support of long continued use by Expert Lamps, Inc., was refused admission."

This is not true, as reference to the record (pages 251-255) clearly reveals. The trial court pointed out to counsel that

his effort was outside the pleadings and therefor immaterial; but even so, after an extended colloquy with counsel, it permitted him to proceed. The court stated (Rec. 254):

> "Go ahead. It doesn't do me any good. I take more time determining it than I do listening to it. * * * What I am trying to do is merely limit you to the issues here. We are not trying the Expert Lamp Company. If they have a case against them, it's up to the plaintiff to start it in the proper jurisdiction. Go ahead. Let's hear the last question."

Appellants argue that enjoining their sale of SUNBEAM lamps impliedly denies Expert Lamps, Inc. its day in court and holds that such defenses as it might plead and prove have already been adjudicated adversely. It is elementary, however, that the adjudication herein is confined to the issues pleaded and to the parties before this court.

It appears that appellants would "have their cake and eat it too"; for they have espoused the benefits of dismissal of Expert Lamps, Inc., thereby necessitating appellee's filing and prosecuting two separate actions against the same family enterprise, yet they now complain of the results of their acts.

2.

Appellants argue that this court does not understand its own recent ruling in *Sunbeam Lighting Company* v. *Sunbeam Corporation,* 183 F. (2d) 969. Their difficulties in fabricating such an argument are apparent in almost every line, but their principal contention seems to be that the *Lighting Company* decision did not hold confusion likely as to portable lamps. On page 8 of their Petition appellants have quoted from two portions of the *Lighting Company* opinion with the false statement that the second paragraph quoted "follows" the first. They have conveni-

ently omitted these sentences which actually follow their first quotation, and which read (page 971):

> "We think the difference between electrical fluorescent lighting fixtures with the method of their marketing, the portable lamps and the way they are marketed puts the latter on sale in such a way as to cause confusion. The injunction should cover this item."

The instant decision refers directly to the above as follows (page 4):

> "We pointed out in the *Sunbeam Lighting Co.* case, *supra,* that the remoteness of confusion by the purchaser of electric fluorescent light fixtures with the manufacturer of household appliances stemmed largely from the fact that the light fixture is ordinarily selected by an architect and installed by an engineer or an electrical contractor, *in contrast to the 'over the counter' purchase of a kitchen gadget. However, the distinction was not held to apply to portable fluorescent lamps which in common knowledge yield to sale and purchase in similar manner to the sale and purchase of household appliances.*" (Emphasis ours)

3.

Throughout appellants' petition there appear claims and arguments that this court "is in error in spelling from facts to the contrary a likelihood of confusion as justifying a holding of infringement", and that its decision is inconsistent "with the other decisions made by this court as well as by other courts of appeal." Appellee submits that such efforts are no more than a "re-hash" of the questions already briefed, heard, considered and decided herein. It is believed that the numerous authorities cited in the court's opinion, as well as its references to the evidence, provide ample reply to such contentions.

Conclusion.

Appellants are estopped to raise any alleged defenses which they might have urged as arising from the former defendant, Expert Lamps, Inc., since Expert is not before the court and since any such alleged defenses are outside the pleadings. That this court's opinion is consistent with its rule in the *Sunbeam Lighting* case is clear from the full text of both opinions. That it is in accordance with the law of the Ninth Circuit, The State of California and the other circuits is obvious from an examination of the authorities cited and from numerous other authorities.

For the foregoing reasons it is urged that Appellee's Petition for Rehearing be denied.

Respectfully submitted,

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